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October 31, 2013

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

Ms. Alisa C. Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
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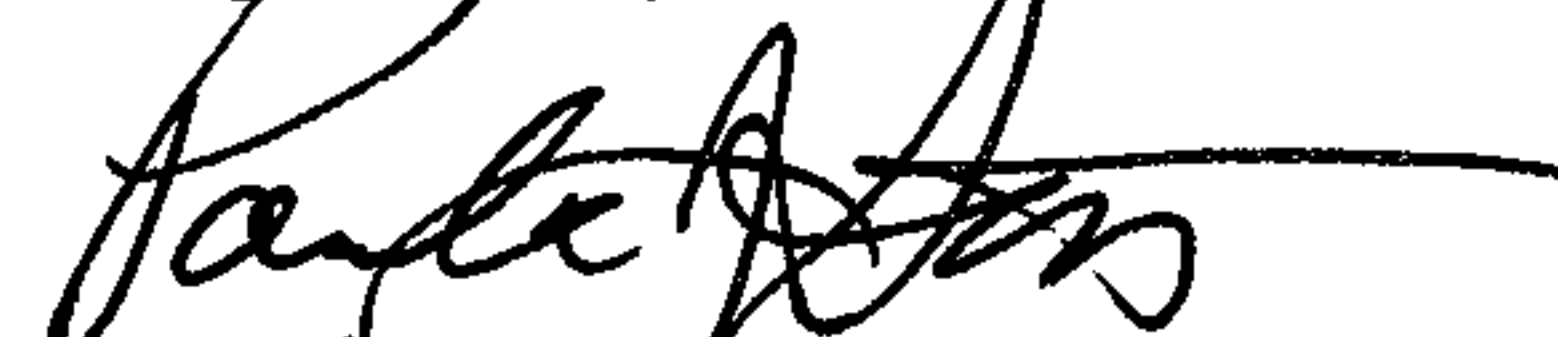
Re: PSC Docket No. 11-330 – Delmarva Power & Light Company's
Energy Wise Rewards Residential Direct Load Control Program –
Third Quarter Report

Dear Ms. Bentley:

Enclosed for filing are the original and ten (10) copies of Delmarva Power & Light Company's Third Quarter Report in the above-referenced docket. This filing is being made in compliance with ordering Paragraph No. 4 of Order No. 8253 in Docket No. 11-330.

Should you have any questions, please feel free to contact me at the number referenced above.

Respectfully submitted,


Pamela J. Scott

Enclosure

cc: Service List in Docket 11-330

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Delmarva Power& Light Company
New Residential Air Conditioner Cycling Program
Quarterly Performance Report
July - September 2013
Docket No. 11-330
Order No. 8253

Submitted by: Delmarva Power & Light Company
On: October 31, 2013

Program Implementation Status

1. Program Authorization: The New Residential Air Conditioner Cycling Program was approved on December 18, 2012, by Order No. 8253.
2. Launch of the Program Website and Program: The website became operational on April 11, 2013. Customer Education materials and *Energy for Tomorrow* (EFT) conversion materials were created, produced and distributed to support the launch of the Program in early April of 2013.

Device Goals

- 19,600 installed devices in the Program by the end of 2013.
- 41,200 installed devices in the Program by the end of 2014.
- 51,500 installed devices in the Program by the end of 2015.

Enrollments and Installations

The recruitment of customers for the Program began in April 2013, with the installation of equipment following in short order as the customers enrolled and scheduled installation appointments. The EFT-to-EWR (Energy Wise Rewards) conversion process involves four (4) levels of communication with customers, in the following order: (1) a letter, (2) a postcard, (3) an outbound phone call, and (4) a door hanger left at their residence. Each contact advises customers of the Program benefits, equipment and cycling options, and steps to take to opt out of the Program. Customers are enrolled in EWR after the outbound call has been made if they have not requested to opt-out of the Program. Door hangers are placed at the residence a couple of weeks before the installation of equipment.

The table below showing monthly enrollments is provided in accordance with Delmarva Power's response to Staff's data request PSC-JCZ-7 in Docket No. 13-115, submitted on July 26, 2013.

Enrollments to the Program

Month	Customer EWR Enrollment Requests	EFT Conversion to EWR Enrollments*	Total EWR Enrollments
April-13	242	0	242
May-13	569	3,581	4,150
June-13	1,142	6,170	7,312
July-13	1,990	4,098	6,088
August-13	1,181	6,926	8,107
September-13	362	1,495	1,857
Total	5,486	22,270	27,756

* It is important to note that the process for converting from Energy for Tomorrow to EWR takes between 10 and 12 weeks from the first notification to the customer to the installation of the device. This is largely due to the defined number of steps in the conversion process to ensure that customers receive the proper level of notification about the program to understand it and to make a decision as to whether to proceed or opt out. A customer is considered “enrolled” in the program after completion of the 3rd out of 4 notification steps, and remains enrolled for 6 weeks as the conversion process is completed.

The table below lists the actual installations to date and the forecasted installations for the remainder of the Program.

Installation Goals

	Target	Actual
1Q 2013	-	-
2Q 2013	4,350	1,051
3Q 2013	7,650	9,667
PTD Total	12,000	10,718
4Q 2013	7,600	
Total	19,600	10,718
1Q 2014	5,400	
2Q 2014	5,400	
3Q 2014	5,400	
4Q 2014	5,400	
Total	21,600	-
1Q 2015	5,400	
2Q 2015	4,900	
3Q 2015		
4Q 2015	-	
Total	10,300	-
Total	51,500	10,718

Customer Education/Awareness

1. Program and Customer Education Materials:

- The direct mail materials for EFT-to-EWR participant conversion began in April 2013 and will continue through Q4 2013. The conversion process has been accelerated in order for customer notifications to be completed in 2013, and device installation for former EFT customers to be completed in Q1 2014.
- The direct mail materials for the Peak Energy Savings Credit (PESC) and EWR joint customer education campaign began in June 2013 and concluded in September 2013.
- The PESC and EWR joint advertising campaign was conducted July 2013 through September 2013. The campaign used print ads, TV spots, radio spots and billboards throughout the state.

2. The website was available for customer enrollments beginning in April of 2013.

Program Cost Data

Table 1 below provides Program cost detail by quarter and Program to date.

**Delmarva Power Delaware
Residential Air Conditioner Direct Load Control (DLC) Program
Quarterly Performance Report
Through September 2013**

Delmarva Power Delaware Residential Demand Response Program

	O&M (Column A)		Actual (Column B)		Marketing (Column C)		Customer Installation Credit (Subset of Column D)		Customer Annual Incentives (Subset of Column E)		Residential Rewards (Column F)		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Variance
1Q 2013	\$ 290,820	\$ 92,676	\$ -		\$ 326,154	\$ 27,135	\$ -		\$ -		\$ 616,974	\$ 119,811	\$ (497,163)
2Q 2013	\$ 408,008	\$ 183,179	\$ 1,026,444	\$ 85,407	\$ 1,043,588	\$ 391,812	\$ 248,400	\$ 41,560	\$ -	\$ -	\$ 2,726,440	\$ 681,958	\$ (2,044,482)
3Q 2013	\$ 408,009	\$ 181,199	\$ 1,673,550	\$ 1,283,735	\$ 733,844	\$ 567,675	\$ 405,000	\$ 408,140	\$ -	\$ -	\$ 3,220,403	\$ 2,440,749	\$ (779,654)
4Q 2013	\$ 408,009		\$ 1,673,550		\$ 570,764		\$ 405,000		\$ 12,000		\$ 3,069,323	\$ -	
2013 Totals	\$ 1,514,846	\$ 457,054	\$ 4,373,544	\$ 1,349,142	\$ 2,674,350	\$ 986,622	\$ 1,058,400	\$ 449,700	\$ 12,000	\$ -	\$ 9,633,140	\$ 3,242,518	
2014 Totals	\$ 1,476,367		\$ 4,819,824		\$ 2,160,000		\$ 1,166,400		\$ 85,000		\$ 9,707,591	\$ -	
2015 Totals	\$ 1,340,334		\$ 2,298,342		\$ 1,030,000		\$ 556,200		\$ 85,000		\$ 5,309,876	\$ -	
2016 Totals	\$ 556,084		\$ -		\$ 250,000		\$ -		\$ -		\$ 806,084	\$ -	
											\$ -	\$ -	
Program Totals	\$ 4,887,632	\$ 457,054	\$ 11,491,710	\$ 1,349,142	\$ 6,114,350	\$ 986,622	\$ 2,781,000	\$ 449,700	\$ 182,000	\$ -	\$ 25,466,692	\$ 3,242,518	

The Budget columns reflect the current projections of when costs will occur, based on the timing of the launch of the program

The O&M column reflects the total of the Contracted Support, Program Administration, Maintenance Services, and Evaluation columns from the original filing

The original Participant Credit column has been split into Customer Installation Credit and Customer Annual Incentives

Customer Annual Incentives reflects credits to Third Party Supplier customers who did not participate in the Peak Energy Savings program, but did participate in Energy Wise Rewards.

Customer Annual Incentives budget has been updated to align with the approved program budget. In the event that the number of customers with a Third Party Supplier increase the budget may need to be revised to support the change in customer base.

In the 4Q report of each year, the budget for the subsequent year will be broken out by quarter

Revenues

In the prior quarterly report dated July 31, 2013 PJM market revenues of \$19,200 for the month of June were reported in error. As this is the first year of implementation for the EWR program there are no PJM market revenues for 2013. PJM market earnings for EWR will begin in 2014.